

Behind the Top 25 List: While 'registered' CPA firms rate prestige points and visibility, others may offer more flexibility

[Robin Smith](#) Feb 5, 2016, 7:59am

Readers will notice a new data point in [this year's Accounting Firms List](#): “Registered with Ohio Board of Accountancy?”

Of the 26 firms in this year's list (we have an extra due to a three-way tie at No. 24), 25 are registered. Only one, Kaiser Consulting, is not – and happily so, according to CEO [Lori Kaiser](#).

Under Ohio law, a registered public accounting firm must be majority-owned by certified public accountants, and only a registered firm can use the designation “CPA” in its name or advertise as a CPA firm.

CPA licensure is not trivial. It requires a rigorous national exam, extensive college credit hours, documented accounting experience and training in accounting standards and practices. The license must be renewed every three years, requiring additional continuing education credits. Advertising as a CPA firm bestows instant credibility and implies a highly professional level of service.

Moreover, only a registered and regularly peer-reviewed firm can perform *attest* work, including tax accounting and auditing. According to [John Patterson](#), executive director of the Accountancy Board of Ohio, “The easiest definition of attest work is that it is *opinion* work” – an independent judgment of the financial state of a company based on a review of its financial

statements and accounting practices.

“That opinion is critical to a company when it attempts to raise or borrow money,” said Patterson.

Attest work is prestigious in the accounting world.

So why would a sizable accounting firm choose not to register? According to [Lori Kaiser](#), cost can be a factor. “The costs of registration and peer review can be difficult for smaller firms,” she said, “and tax and auditing work requires a much higher level of professional liability insurance than other areas.”

But for Kaiser, cost is not the reason to find an alternative to public accounting work. “I would never denigrate public accounting,” said Kaiser, who started her career in auditing and is a licensed CPA. “Public accounting is a great place to start a career. You get more experience there, but it can be difficult with travel and the number of hours you may be required to work. When you get to the point where the minuses outweigh the pluses, then it’s time to weigh other opportunities.”